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C O N F I D E N T I A L SECTION 01 OF 02 BUDAPEST 000667

CORRECTED COPY - DATES in PARA 1, 2, 4 and 9

SIPDIS

STATE FOR EUR/CE JAMIE MOORE. PLEASE PASS TO NSC FOR JEFF HOVENIER

RUEHZL/EUROPEAN POLITICAL COLLECTIVE

E.O. 12958: DECL: 09/11/2012 TAGS: <u>PREL PGOV PHUM LO HU</u>

SUBJECT: FICO-BAJNAI MEETING SUCCEEDS IN LOWERING BILATERAL TENSIONS, BUT ADDS FUEL TO DOMESTIC POLITICS

REF: A. BRATISLAVA 00390

1B. BUDAPEST 00613
1C. BRATISLAVA 00370

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Classified By: POL/ECON Counselor Paul C. O'Friel; Reason: 1.4 (b) and (d).

11. (C) SUMMARY. The September 10 meeting between Prime Minister Bajnai and his Slovakian counterpart Robert Fico seems to have succeeded in diminishing — at least for now — tensions that were roiled by the passage of a controversial Slovak language law and a heated dispute over a planned "private" visit to Slovakia by President Solyom (reftels). Bajnai appears to have achieved most of his pre-meeting objectives, which included agreement that both sides would accept the opinion and recommendations of the Organization of Security and Cooperation in Europe's (OSCE) High Commissioner on National Minorities regarding the Slovak language law. Although calming bilateral relations, the September 10 meeting exacerbated domestic partisan politics. Breaking heretofore multi-party consensus over the language law issue, Fidesz opposition party leaders roundly criticized the Bajnai government for not standing up to Slovakia. END SUMMARY.

HUNGARY APPEARS TO HAVE ATTAINED PRE-MEETING GOALS

¶2. (C) Prime Minister Gordan Bajnai seems to have largely succeeded in his efforts to diffuse — at least temporarily — long simmering tensions with neighboring Slovakia. David Koranyi, Bajnai's National Security Advisor, shared with us beforehand a draft joint statement that the Hungarians hoped the Slovak side would agree to at the September 10 meeting between Bajnai and his counterpart, Robert Fico. In comparing the draft joint statement with the actual text, it appears that Bajnai largely achieved his objectives.

KEY POINTS

- $\P 3$. (U) Among the key points on which the two sides reached agreement were:
- -- to accept the opinion and all the recommendations of the OSCE's High Commissioner on National Minorities regarding the Slovak language law;
- -- to express mutual regret over the handling of Hungarian
 President Laszlo Solyom's failed August 21 attempt to visit
 Slovakia, and adopt steps to avoid future such incidents;
 -- to take firm measures against domestic extremists;
 -- to accelerate implementation of the 14-point work plan

agreed upon in June 2007;

-- to reconvene meetings of the committees associated with the 1995 bilateral cooperation treaty; and, -- to prepare a cooperation package focused on energy security, infrastructure improvements, unemployment in border regions, and Roma integration.

SUPRISINGLY GOOD DYNAMICS

- 14. (C) In a readout of the September 10 talks, Koranyi said the Hungarians were pleased with the outcome, and cautiously optimistic that the meeting was a good start to what they hoped would be a beneficial process. He said the 45-minute tete-a-tete session had gone twice as long as expected, and the following 90-minute plenary session went very well. "We,re now on a productive road at the end of which are solutions to the problems we are facing," Koranyi said. He cautioned, however, that Slovakia and Hungary "won't be best of friends," and that bilateral discussions, however productive, would not resolve internal Slovakian -- or Hungarian -- problems.
- 15. (C) Viktor Szederkenyi, the Chief of Cabinet of the State Secretary of the Ministry of Foreign Affairs, separately confirmed that the dynamics between Fico and Bajnai had been surprisingly good. Szederkenyi believed that the Slovak agreement to accept the OSCE High Commissioner's recommendations had been a crucial concession. "It leaves open the possibility of amending the law," he said. "Our rationale in going into the meeting," Szederkenyi continued," was to find solutions to our existing problems; frankly, our relations had hit rock bottom."

TEMPERED OPTIMISM

16. (C) Szederkenyi tempered his optimism, however, saying, "We still have to see how things work out." He said Budapest would be monitoring statements coming from Bratislava over

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the next several days to confirm that the Slovaks were sincere about wanting to move forward. Szederkenyi noted that Slovak Foreign Minister Lajcak's previously scheduled September 15 visit to Hungary, which included meetings with Prime Minister Bajnai and Foreign Minister Balazs, would provide an opportunity to pursue discussions.

FIDESZ BREAKS MULTI-PARTY CONSENSUS TO CRITICIZE BAJNAI

- 17. (SBU) Despite the government's positive spin, opposition Fidesz party leader Viktor Orban broke with the heretofore solid multi-party consensus over the language law to criticize Bajnai sharply in the media. Speaking to Hungarian reporters from a meeting of European Peoples Party representatives in Brussels, Orban savaged Bajnai as a lame duck prime minister. "Until there are elections, Hungary will never regain its force, its authority, or its reputation." Parliamentary Foreign Affairs Committee Chairman Nemeth Zsolt, also a leading Fidesz politician, separately said that Fico had "mopped the floor" with Bajnai because Slovakia had not agreed formally to amend the language law or apologize for its handling of the Solyom affair.
- 18. (C) Koranyi commented that the Bajnai government was disappointed that Fidesz had broken with multi-party consensus to go after the prime minister. He admitted, however, that Orban,s attack was not completely unexpected.

COMMENT

19. (C) While the September 10 session apparently went well, the Hungarian-Slovak relationship will continue to be a rocky one. Other agreements in the past have quickly foundered amid mutual recriminations. Although the most significant element of the agreement is the decision to abide by OSCE recommendations on the language law, it will also prove the

hardest to implement in practice. If handled well, it could provide cover for both sides to take politically difficult steps. Given the current election climate in both countries, this may prove difficult. Fidesz,s break with multi-party consensus over the language law comes as little surprise —with elections looming next April, Orban seems almost pathologically opposed to anything that would make the Bajnai government look good.

 $\underline{\underline{\mathbf{1}}}$ 10. (U) This report was coordinated with Embassy Bratislava. LEVINE